

Top Secret 219

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NATIONAL INTELLIGENCE DAILY CABLE

Monday 31 July 1978

CG NIDC 78/177

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NATIONAL SECURITY INFORMATION
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National Intelligence Daily Cable for Monday, 31 July 1978

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The NID Cable is for the purpose of informing senior US officials.

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LEBANON: Situation Report

25X1 [] Beirut radio announced last night that the government intends to move a small contingent of Lebanese Army troops into the UN-controlled area of southern Lebanon today. Israel has indicated that it is opposed to the terms under which the Lebanese are moving, and there could be trouble.

25X1 [] The Lebanese broadcast gave no details of the planned deployment, but Damascus radio has reported that the "first group" will consist of 500 officers and men. Syria has been pressing the Lebanese Government for several months to send Army troops to the south. The Lebanese decision comes after months of hesitation and indecision and follows a meeting yesterday at Naqurah between Lebanese and Israeli military officers to discuss terms of the deployment. According to Israeli radio, however, the Lebanese and Israelis did not resolve several issues.

25X1 [] Christian militia leaders in the south remain opposed to a Lebanese Army presence that might limit their autonomy; they claim that their forces already constitute an adequate Lebanese presence. The Israelis have publicly indicated that they object specifically to the size of the Lebanese contingent--which they say is not large enough to contain Palestinian terrorists--and they do not want Lebanese troops to transit Christian-held territory in the south.

25X1 [] Both the Christians and the Israelis are also worried that the Lebanese Army might remove the two renegade Army officers who lead the Christian militias in the south, Majors Haddad and Shidiaq.

25X1 [] Sporadic fighting occurred again between Syrian forces and the Christian militias in East Beirut this weekend. The Syrians shelled Christian neighborhoods on Friday and Saturday evenings, probably in response to continued Christian sniper fire. []

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ITALY: National Council President

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Italy's governing Christian Democrats on Friday elected Flaminio Piccoli president of the party's national council--the post Aldo Moro held before Red Brigades terrorists murdered him in May. Whereas Moro's base of support was primarily on the party left, Piccoli's strength is in the center and conservative factions. Although Piccoli does not command the prestige and authority that Moro did, he is likely to follow Moro's example of taking an activist approach to the normally honorific position.

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The Christian Democratic secretary general has traditionally been the party's real leader but, as national council president, Moro easily took the initiative away from his indecisive protege Benigno Zaccagnini, who was elected secretary general in 1975. Since Moro's death, the party leadership has functioned in a collegial manner.

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The leftist factions, however, have held a near monopoly on top leadership posts, and Piccoli is the first party leader from outside their ranks to gain one of the major jobs in the last three years. Zaccagnini and Prime Minister Andreotti want to avoid strains in the government's cooperative relationship with the Communists and reportedly hope Piccoli will use his position to mediate between leftwing and rightwing party factions that are at odds over the communist issue.

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//Piccoli's recent activities suggest, however, that his election is more likely to increase internal party tension than to reduce it.

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the members of Piccoli's faction, the party's largest, resent their long exclusion from power and are likely to see his election as an opportunity to diminish the left's influence further in the party hierarchy.//

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Before his election, Piccoli was head of the Christian Democratic delegation in the Chamber of Deputies. That politically influential post will also be contested by the left

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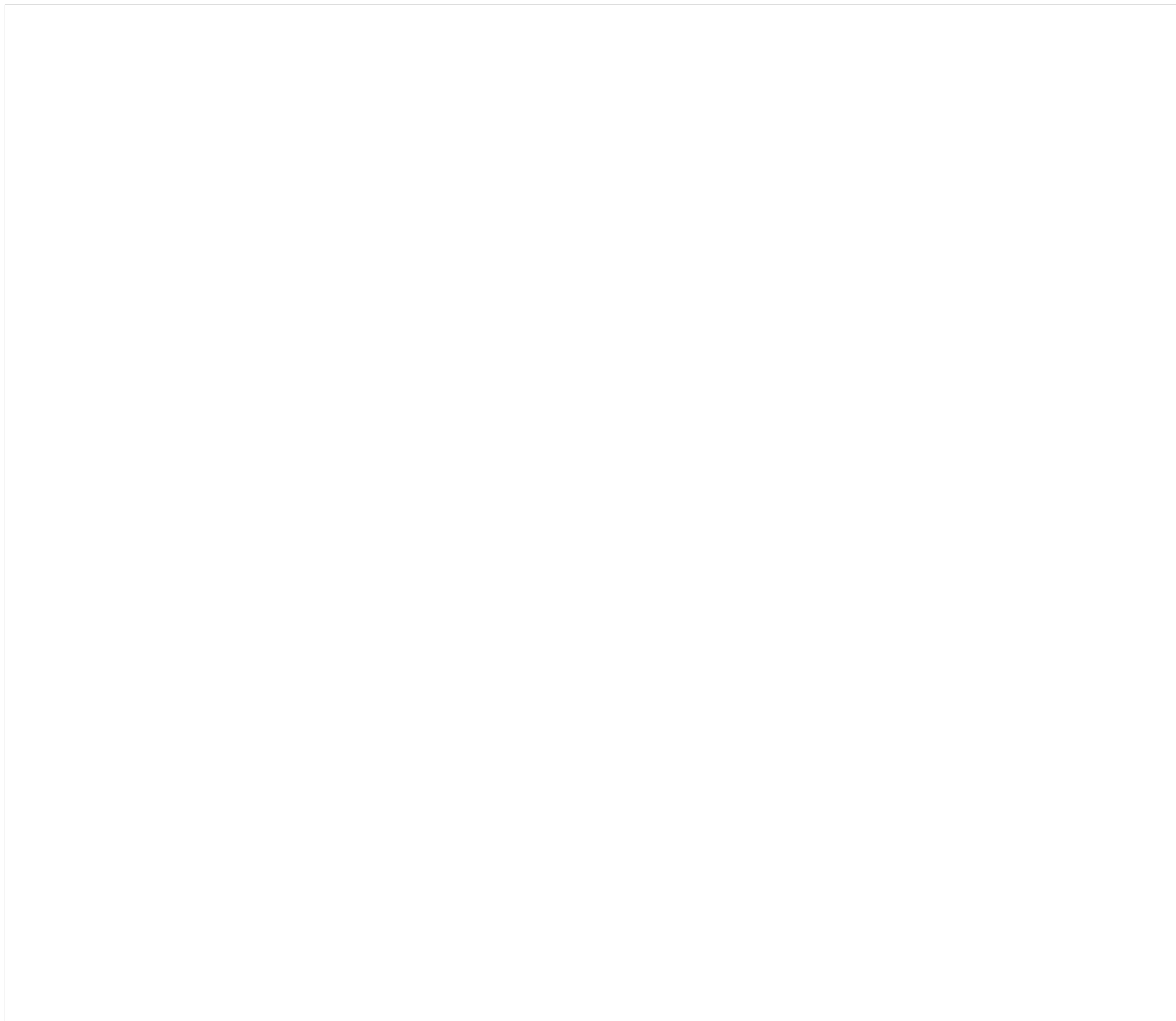


and the right, but an election is likely to be postponed until
after the sacrosanct August holiday.



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ETHIOPIA: Eritrean Developments

25X1 [] *The Ethiopian Liberation Front--one of the three main guerrilla factions fighting for independence from Ethiopia--has borne the brunt of recent Ethiopian military gains in the province. That group had already suffered a split along ideological lines, leaving the Marxist-led Eritrean People's Liberation Front the dominant guerrilla faction. None of the groups has retreated from its demand for independence, and the prospects for a negotiated settlement are still remote.*

25X1 [] The Eritrean Liberation Front has held the southern area of Eritrea astride the Ethiopian invasion route. Our information on ELF casualties is limited, but the group still appears able to keep a strong fighting force in the field.

25X1 [] Ideological factionalism within the ELF poses a greater threat to its survival as a credible guerrilla force than do its military setbacks. During the past few months, it has lost many members to both the Marxist Eritrean People's Liberation Front and the conservative Eritrean Liberation Front/Popular Liberation Forces.

25X1 [] The EPLF in recent years has developed into a better led and disciplined organization than the older ELF. The addition of defectors from the ELF and its success in gaining new recruits have made the EPLF the largest, as well as the best organized, guerrilla force.

25X1 [] ELF leaders unwittingly hastened the breakdown of their organization in March when they agreed to a joint command council with the EPLF. The agreement resulted in cooperation on political matters but very little joint military action. It did, however, cause conservatives in the ELF to bolt to the ELF/PLF. Many leftists defected to the EPLF.

25X1 [] The ELF/PLF is politically isolated from the other two groups and does not pose a significant military threat to the Ethiopians. Its leaders have all along kept their forces in the countryside and adhered to the tenets of guerrilla warfare. The other two groups have engaged the Ethiopians in conventional warfare, but they may soon be forced to give ground to the preponderant Ethiopian forces as they retreat into terrain that favors guerrilla tactics.

[REDACTED]

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[REDACTED] The Ethiopian Government still hopes to crush the guerrillas militarily and shows no interest in trying to reach a political settlement with them. The guerrillas, for their part, are holding to their demand for Eritrean independence.

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[REDACTED] Over time, the prospects for a negotiated settlement will probably increase, but progress toward talks is likely only after a military stalemate is reached and only if the Ethiopians and the insurgents are pressed hard to compromise by their respective foreign supporters. [REDACTED]

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[REDACTED]

[REDACTED]

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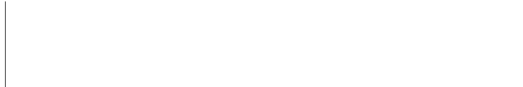
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MALTA: Dom Mintoff's Deadline

[REDACTED] //The major West European governments are clearly unwilling to meet the 31 July deadline that Maltese Prime Minister Mintoff has set for a response to his demands for economic aid. Mintoff has threatened to accept Libyan assistance if the deadline passes without a response.//

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[redacted] //France, Italy, and West Germany believe Mintoff's demands are inflated, but they are willing to provide some aid to Malta after the British leave the island's military base next March.//

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[redacted] //Mintoff took action against the British earlier this month in a move apparently meant as a signal that his threats are not empty. Alleging gross bias in the reporting of the British media, he ordered the shutdown of British broadcasting facilities and banned British journalists from Malta. This is a direct violation of the 1972 UK-Malta base agreement, which safeguards British rights during their military presence.//

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[redacted] //Mintoff's action is risky because Britain could retaliate by suspending the final base payment due on 1 October. Although the British seem likely for now to avoid actions that could jeopardize the continuing tranquil withdrawal of their forces from Malta, they would probably retaliate if Mintoff violated the agreement again.//

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[redacted] //The US Embassy in Valletta speculates that Mintoff would like to force the British to leave early, especially if he could do so soon after they make their final base payment. Mintoff may calculate that this would raise European concerns while putting pressure on Libyan President Qadhafi to follow through on his pledges of economic and political support. The early departure of the British would also enhance Mintoff's stature among nonaligned nations. [redacted]

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BRIEFS

USSR - Eastern Europe

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[redacted] The party chiefs of Czechoslovakia, Hungary, and East Germany returned home from the Soviet Union this weekend following bilateral talks with Soviet President Brezhnev. Poland's Gierk, who is reported to be vacationing in the Crimea, has not yet met the Soviet leader.

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[redacted] Statements issued after the talks upbraided the West for "interfering" in Soviet internal affairs, a reference to Western protests of Soviet human rights violations. The statements also attacked China's foreign policy, especially concerning its conflict with Vietnam. The discussions probably also covered Chinese party Chairman Hua Kuo-feng's forthcoming visit to Romania and Yugoslavia in mid-August and the Chinese-Albanian economic rift.

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Sudan

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[redacted] Torrential rains have caused severe flooding in Sudan's Gezira Province--its most important agricultural area--and this is likely to cut agricultural production severely. It is impossible to predict the extent of the damage to the recently sown cotton crop--which provides Sudan with over half of its export earnings. Replanting is still possible, but Sudan must obtain financing, and good weather must prevail in order to harvest a decent crop.

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[redacted] The country already has significant balance-of-payments problems and will have difficulty absorbing losses caused by crop failures. Sudan's southern regions are also experiencing a worsening of annual food shortages, bordering on famine. Adding to the food distribution problem is the presence of approximately 250,000 Eritrean and Ethiopian refugees in the Kassala area. Even more refugees are entering the country as a result of the increased military activities in Eritrea. [redacted]

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